

Message Text

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ACTION EUR-12

INFO OCT-01 IO-13 ISO-00 AID-05 CEA-01 CIAE-00 COME-00

EB-07 EA-07 FRB-03 INR-07 NEA-10 NSAE-00 USIA-06

OPIC-03 SP-02 TRSE-00 CIEP-01 LAB-04 SIL-01 AGRE-00

OMB-01 STR-04 XMB-02 /090 W

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FM AMEMBASSY BONN

TO SECSTATE WASHDC PRIORITY 4890

INFO USMISSION OECD PARIS

USMISSION EC BRUSSELS

USMISSION USUN NEW YORK

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E.O. 11652: N/A

TAGS: EINV, EMIN, OECD, GW

SUBJECT: JANUARY 31 MEETING OF OECD HIGH LEVEL GROUP ON
COMMODITIES SUB-GROUP OF EXPERTS ON
INVESTMENT

1. FRG ECONOMICS MINISTRY OFFICIALS (VON DEWITZ AND SCHEELE) HAVE ASKED EMBASSY TO INFORM INTERESTED WASHINGTON AGENCIES THAT THE FRG HAS STRONG RESERVATIONS CONCERNING ESTABLISHMENT OF AN INFORMATION SYSTEM FOR INVESTMENT IN THE COMMODITIES SECTOR. THEY ASKED WHETHER THE U.S. COULD REVIEW THE SOMEWHAT RECEPTIVE POSITION TOWARD THIS PROPOSAL WHICH THE U.S. DEL TOOK AT THE FIRST MEETING OF THE EXPERTS SUB-GROUP IN EARLY DECEMBER.

2. AFTER NOTING THAT THE EXPERTS WILL MEET ON JANUARY 31 TO CONSIDER PROPOSALS FOR EX POST AND EX ANTE INFORMATION SYSTEMS, VON DEWITZ AND SCHEELE SAID THAT
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BOTH SYSTEMS WOULD CAUSE DIFFICULTIES. THE FRG WOULD DEFINITELY OPPOSE AN EX ANTE INFORMATION SYSTEM, SINCE IT FEARS THAT THIS WOULD LEAD TO PRESSURES TO CONTROL INVESTMENTS, WHETHER BY LIMITING INVESTMENTS IN A PARTICULAR COUNTRY OR BY FORCING FIRMS TO DIRECT THEIR INVESTMENTS TO PARTICULAR COUNTRIES OR PARTICULAR SECTORS. SECONDLY, THE FRG CANNOT FORCE GERMAN FIRMS

TO PROVIDE INFORMATION ON THEIR INVESTMENT DECISIONS. FINALLY, SUCH INVESTMENT FORECASTS COULD BE SO IMPRECISE AS TO LEAD TO INCORRECT ASSESSMENTS OF BASIC INVESTMENT TRENDS.

3. THE FRG WOULD ALSO OPPOSE AN EX POST INFORMATION SYSTEM DESIGNED TO GATHER INFORMATION ON INDIVIDUAL INVESTMENTS. IN THIS CASE IT HAS LEGAL PROBLEMS, FOR GERMAN LEGISLATION PERTAINING TO THE COLLECTION OF STATISTICS PROHIBITS THE FEDERAL GOVERNMENT FROM PUBLISHING DATA ON INDIVIDUAL TRANSACTIONS. FRG COULD THEREFORE ONLY AGREE TO A SYSTEM FOR COLLECTING AND PUBLISHING INFORMATION THAT IS NOT TOO DETAILED, E.G., GERMAN INVESTMENT IN IRON ORE SECTOR IN LDC'S AS A GROUP AND IN DC'S AS A GROUP. VON DEWITZ AND SCHEELE ARGUED THAT COLLECTIVE DATA OF THIS SORT WOULD BE SUFFICIENT TO ENABLE OECD COUNTRIES TO ASSESS GLOBAL INVESTMENT TRENDS AND TO MAKE JUDGMENTS OF WHETHER A PARTICULAR GAP MIGHT BE LIKELY BETWEEN FUTURE SUPPLY AND DEMAND. HOWEVER, WHEN FRG EXPERT (SCHEELE) MADE A PROPOSAL ALONG THESE LINES AT DECEMBER MEETING, THE PROPOSAL WAS REBUFFED BY OTHERS AS INSUFFICIENT AND USELESS.

4. VON DEWITZ RECALLED THAT, IN COURSE OF OECD DISCUSSION OF MNE GUIDELINES, SWEDEN AND SEVERAL OTHER COUNTRIES WANTED TO OBLIGE MNE'S TO INFORM GOVERNMENTS WITH RESPECT TO THEIR INVESTMENT PLANNING. AT THAT TIME, THE U.S. AS WELL AS THE FRG OPPOSED THE SWEDISH LIMITED OFFICIAL USE

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PROPOSAL ON THE GROUNDS THAT PRIVATE INVESTMENT DECISIONS SHOULD NOT BE INFLUENCED BY GOVERNMENTS. VON DEWITZ SUGGESTED THAT SIMILAR REASONING WOULD BE APPLICABLE IN THIS CASE.

5. VON DEWITZ EXPRESSED STRONG CONCERN THAT THE PROPOSED INFORMATION SYSTEM WOULD CREATE AN UNWELCOME PRECEDENT, PARTICULARLY WITH RESPECT TO THE UN'S TNC EXERCISE. HE HAD NO DOUBTS THAT THE G-77 WOULD PRESS FOR GUIDELINES REQUIRING TNC'S TO PROVIDE DETAILED INFORMATION ON THEIR INVESTMENT PLANS. IF THE OECD COUNTRIES SET UP AN INFORMATION SYSTEM, ALBEIT A SYSTEM LIMITED TO THE RAW MATERIALS SECTOR, THEY WILL LEAVE THEMSELVES OPEN TO G-77 ARGUMENT OF DISCRIMINATION.

6. ACTION REQUESTED: EMBASSY WOULD APPRECIATE HAVING GUIDANCE ON U.S. VIEWS TO CONVEY TO FRG PRIOR TO JANUARY 31 MEETING OF EXPERTS GROUP.

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Message Attributes

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Sent Date: 20-Jan-1977 12:00:00 am
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Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
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Disposition History: n/a
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